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# World Production and Trade

United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

Washington, D.C. 20250

Weekly  
Roundup

WR 9-86

March 5, 1986

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

## GRAIN AND FEED

Mexico Buys Argentine Corn. A recent Mexican purchase of 500,000 tons of Argentine corn will likely mean the displacement of some U.S. corn exports to Mexico and/or a possible expansion in total Mexican corn utilization. Mexico has historically purchased virtually all U.S. corn, buying between 1-4 million tons per year. In 1984/85, however, Mexico bought small amounts of Argentine corn. This year, Argentina's near-record corn harvest has resulted in significantly higher exportable supplies and very competitive prices. Mexico was previously expected to import 3 million tons of corn in 1985/86 (October-September), mostly of U.S. origin.

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U.S. Corn Exports to Japan Could Decline. Large availabilities of inexpensive, good-quality Argentine and South African corn may contribute to a possible decline in Japanese purchases of U.S. corn. Recent reports from the U.S. agricultural counselor in Tokyo indicate Japanese imports of U.S. corn may slip from the 1984/85 (October-September) level of 11.4 million tons to 9.6 million tons in 1985/86. South Africa, in anticipation of a more normal 1986 crop, following three years of drought-impacted harvests, has offered Japan 2 million tons of corn, more than four times the 1984/85 level. Argentina is harvesting a near-record to record crop and these large availabilities may result in as much as a million tons of corn exports to Japan. The increased competition from South Africa and Argentina will add to already intense competition from China, likely reducing U.S. exports to this very important Asian market.

## OILSEEDS AND PRODUCTS

Argentina Announces Intent To Lower Export Taxes. On February 17, Argentina's Secretary of Agriculture announced a series of measures aimed at improving the country's agricultural situation. One measure was the immediate reduction or elimination of export taxes on a series of agricultural products. Soybean and sunflowerseed export taxes, which now stand at 34.0 and 28.5 percent, respectively, were not reduced. However, it has been announced that they will be reduced to 15 percent beginning with the 1987 crop.

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Several farm groups complained that the soybean and sunflowerseed export taxes had not been reduced at this time, although there is speculation that the soybean export tax might be changed prior to the April harvest. This measure did not mention export taxes on oilseed products. If the taxes on products are not reduced, then the differential would make exports of soybeans and sunflowerseed more attractive than the export of products. The early announcement of these measures should enhance Argentine competitiveness in world markets as farmers can better formulate their planting decisions.

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Indonesia Imports U.S. Soybean Meal. BULOG, the Indonesian government agency responsible for imports of agricultural products, has only been able to import 1,900 tons of soybean meal from China since the end of October. It planned to take delivery of more but was unable to do so because of Chinese shipping problems. BULOG sources suggested that Chinese crushers found it more profitable to export soybeans rather than soybean meal because of low prices of soybean oil. As a result of the current shortage of soybean meal in Indonesia, BULOG has ordered 20,000 tons of U.S. soybean meal for delivery in February 1986. These are the first imports of U.S. soybean meal since January 1985. USDA is currently forecasting 1985/86 soybean meal imports by Indonesia at 185,000 tons.

\*\*\*\*\*

Malaysia Imports U.S. Soybeans for First Time in 18 Months. More competitive U.S. soybean prices and unreliable Chinese shipments resulted in Malaysia's first purchase of U.S. soybeans in 18 months, according to the U.S. agricultural attache in Kuala Lumpur. The quantity purchased was 10,000 tons, for immediate shipment. For the last quarter of 1985, Malaysian buyers could only obtain half of their contracted supplies from Chinese sources. The current USDA estimate of Malaysia's soybean imports during 1985/86 is 190,000 tons.

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Romania To Import Fewer Soybeans. The U.S. agricultural counselor in Belgrade, who has responsibility for Romania, has lowered his forecast for 1985/86 Romanian soybean imports to 200,000 tons from 350,000 tons. About 100,000 tons is expected to come from the United States. Romania will need to import at least 200,000 tons to keep crushing plants working. However, actual imports could be less due to government curbs on imports to save hard currency outlays. Romania imported 209,000 tons of soybeans in 1984/85, with over 50 percent of the total coming from the United States. Trade sources report that some U.S. soybean meal may be imported by Romania. USDA forecasts Romanian soybean meal imports at 150,000 tons.

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## DAIRY, LIVESTOCK AND POULTRY

EC Commission Operating Secret System of Fixing Dairy Export Subsidies. The European Community Commission on February 13 instituted a system of granting export subsidies on certain dairy products on a confidential basis and will not publish the rates in its official journal. This system will have little impact on commercial exports of U.S. dairy products but will likely affect the Commodity Credit Corporation export sales program.

## FRUITS

Tunisia Harvests Record Citrus Crop. Tunisia's 1985/86 citrus production is estimated at 252,000 tons, up 29 percent from last season's harvest, according to the U.S. agricultural trade officer in Tunis. The increase in production is attributed to more plentiful rainfall earlier this season and to a newly completed irrigation canal project. Citrus production estimates are as follows, in 1,000 tons.

Fruit Type	1983/84	Preliminary 1984/85	Estimated 1985/86
Oranges	129	122	157
Tangerines	38	28	36
Lemons	24	20	26
Others	29	26	33
TOTAL	220	196	252

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WASHINGTON, D.C. 20250

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Selected International Prices

Item	:	March 4, 1986	:	Change from	:	A year
	:		:	a week ago	:	ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	--		180.50
U.S. No. 2 DNS/NS: 14%....	176.50	4.80	+2.00			180.00
U.S. No. 2 S.R.W. ....11/	120.00	3.27	-33.00			158.00
U.S. No. 3 H.A.D.....10/	160.00	4.35	-1.00			178.50
Canadian No. 1 A: Durum...	N.Q.	--	--			189.50
Feed grains:						
U.S. No. 3 Yellow Corn....	109.50	2.78	-6.50			133.00
Soybeans and meal:						
U.S. No. 2 Yellow.....	216.90	5.90	+1.00			233.00
Brazil 47/48% SoyaPellets	202.00	--	+8.00			153.50
U.S. 44% Soybean Meal....	191.00	--	+5.00			147.50
U.S. FARM PRICES 3/						
Wheat.....	114.63	3.12	+2.20			121.98
Barley.....	N.Q.	N.Q.	N.Q.			75.33
Corn.....	87.80	2.23	-2.76			103.15
Sorghum.....	78.26	3.55 2/	+2.22			91.93
Broilers.....	1122.36	--	+26.90			1109.80
EC IMPORT LEVIES						
Wheat 5/.....	156.95	4.27	+6.80			45.40
Barley.....	150.30	3.27	+9.55			48.10
Corn.....	145.10	3.68	+13.45			44.95
Sorghum.....	140.35	3.56	+12.35			59.60
Broilers 4/ 6/ 8/.....	318.00	--	+6.00			145.00
EC INTERVENTION PRICES 7/ 9/						
Common wheat(feed quality)	190.85	5.19	+3.55			132.20
Bread wheat (min. quality)	203.00	5.52	+4.20			140.65
Barley and all						
other feed grains.....	190.85	--	+3.55			132.20
Broilers 4/ 6/.....	1445.00	--	+97.00			991.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat .....	N.A.	N.A.	--			14.70
Barley.....	107.50	2.34	--			27.75
Broilers 4/ 6/ 8/.....	232.00	--	+5.00			86.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ April/May shipment. 11/ June shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis March delivery.